IN THE HIGH COURT OF JUDICATURE AT BOMBAY
NAGPUR BENCH : NAGPUR

INCOME-TAX APPLICATION NO. 102 OF 1995

Office Notes, Office Memoranda of Coram, appearances, Court's orders or directions and Registrar's orders.	Court's or Judge's orders

CORAM : J.P. DEVADHAR AND
B.P. DHARMADHIKARI, JJ.
APRIL 21, 2007.

Heard Shri Parchure, learned counsel for the applicant and Shri Thakkar, learned counsel for the respondent.

This application filed by the revenue under Section 256(2) of the Income-tax Act, 1961, was admitted on the following question of law :

"Whether on the facts and in the circumstances of the case, the Tribunal was justified in law in upholding the order of the CIT(A) in deleting the addition of Rs.90,000/- made by the Assessing Officer on account of the investments in purchase of the National Saving Certificate ?"

The Assessment Year involved herein is Assesment Year 1984-85. The respondent herein is assessee – HUF.

In this case, addition of Rs.90,000/-

on account of investment in National Savings Certificate sought to be taxed in the hands of the assessee has been deleted by the Tribunal by relying upon its decision in the case of assessee for the Asessment Years 1985-86 and 1986-87 in R.A. Nos. 392 and 393/NAG/93 decided on 2.11.1993. In that case by treating the investment in National Savings Certificate belongs to the assessee, the interest accrued thereon was sought to be taxed in the hands of the assessee - HUF. The Tribunal held that the investment in National Savings Certificate belongs to the individual and admittedly the interest accrued thereon has been taxed in the hands of the individual and therefore the interest on the National Savings Certificate cannot be taxed in the hands of the assessee – HUF. The Income-tax Application filed by the revenue against the said order of the Tribunal dated 2.11.1993 being I.T.A. No.106 of 1994 and 107 of 1994 have been dismissed by this Court on 10.4.2007. Since the investment in National Savings Certificate as well as interest accrued thereon are taxed in the hands of the individual, the same could not be taxed again in the hands of the assessee.

In this view of the matter, present application is dismissed. Rule discharged. No costs.

JUDGE **JUDGE**

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